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February 2, 2006

Chairman G. O'Neal Hamilton South Carolina Public Service Commission 101 Executive Center Dr., Suite 100 Columbia, SC 29210

Re:

Docket No. 2005-385-E, Petition of the Office of Regulatory Staff to Establish Dockets to Consider Implementing the Requirements of Section 1251 (Net Metering and Additional Standards) of the Energy Policy Act of 2005

Dear Chairman G. O'Neal Hamilton,

Southern Alliance for Clean Energy submits the following comments in response to the South Carolina Public Service Commission's consideration of developing a net-metering policy under Section 1251 of EPAct 2005.

Southern Alliance for Clean Energy supports the concept of developing a net metering policy for South Carolina residential and commercial customers for the following reasons:

## Net metering encourages private investment in renewable energy resources

Net metering helps encourage private investment in renewable energy resources by lowering the overall cost of adding a renewable energy system, such as a solar photovoltaic system, to a residential or commercial property. A net metering buy-back incentive can make or break a decision by a homeowner or business owner to build a renewable energy project.

## Net metering stimulates economic growth

A net metering policy in South Carolina would stimulate economic growth by supporting the development of the renewable energy industry in the state. When a well-designed net metering policy brings more individuals to invest in residential and commercial renewable energy systems, this increases the number of jobs and revenues generated for renewable energy system installers and suppliers.

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## Net metering enhances the diversification of energy resources

South Carolina receives the majority of its power from nuclear and coal fired power plants. Encouraging investment in renewable energy will increase the overall diversification of energy resources and improve the state's energy security by stimulating greater use of locally available energy supplies.

Southern Alliance for Clean Energy supports net metering as a concept and would like to refer the South Carolina Public Service Commission to the website <a href="http://www.dsireusa.org">http://www.dsireusa.org</a> for sample net metering legislation from across the nation. We view the net metering law adopted in New Jersey to be the best model for South Carolina.

In conclusion, the Public Service Commission should consider adopting a net metering policy and help advance net metering legislation for all utilities in the state to help encourage private investment in renewable resources, stimulate economic growth in South Carolina, and enhance the diversification of energy resources used in the State.

Sincerely,

Stephen A. Smith Executive Director

Southern Alliance for Clean Energy

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